

CFC Smuggling

A year after the United States banned the production and importation of most chlorofluorocarbons (CFCs), the illegal importation of CFCs—which destroy the stratospheric ozone that protects the earth from ultraviolet radiation—continues to thrive. The United States implemented the ban on CFCs as part of the 1987 Montreal Protocol, a treaty signed by 150 countries calling for an eventual international ban on CFCs. The U.S. ban took effect 31 December 1995.

One of the most commonly used CFCs is CFC-12, or R-12, manufactured by DuPont and often referred to by its registered trade name, freon. Freon is used in the air-conditioning systems of most cars manufactured before 1994. Although the ban included usage allowances for existing freon (which let U.S. citizens purchase and use freon that was manufactured before 1996 or that had been recycled), this supply is dwindling, causing the cost to increase. Martin Topper, a staff member of the Director's Office of Criminal Enforcement, Forensics, and Training at the EPA, estimates that the domestic supply of freon will last for another one or two years. "The clock is running short," he said.

The EPA has approved many alternatives to freon for automotive air-conditioning systems, most of which use hydrochlorofluorocarbons (HCFCs). However, the cost of altering air-conditioning systems to use new coolants can be as high as \$1,200 per car, says Frank Allison, executive director of the International Mobile Air-Conditioning

Association. Allison estimates that only about 10% of cars with systems designed to use freon have been adjusted to use alternative coolants.

The combination of high price, decreasing supply, and high demand of freon has prompted the illegal importation of the CFC, which is still being produced in several countries. The black market for freon began to develop years before the ban, when the government began a phaseout of CFCs. In 1992, the EPA began to set "consumption allowances," or annual limits on the manufacture and importation of CFCs. Each year, the limits were reduced in an attempt to encourage recycling and the development of alternative coolants, as well as to discourage attempts to stockpile CFCs before the impending ban. Congress also imposed a significant excise tax on the sale or use of CFCs, which has risen from \$3.35 per pound in 1993 to \$5.35 per pound in 1996.

Despite efforts to discourage illegal importation and use of freon, the trade continues. "Between 1994 and 1996, we have clear evidence that 4,300 tons [of freon] was illegally imported, and we seized as much of that as we could," Topper said. He says it is difficult to estimate the total amount of freon being imported because it is contraband. Topper says that the illegal trade is thriving because of the large financial incentive. Freon can be purchased overseas for about \$1.00–\$2.00 per pound and then sold in the United States for \$20.00–\$25.00 per pound, he said. Legal domestic freon sells for about \$20.00 per pound.

Florida and Texas have experienced much of the illegal activity. In response, special agents of the Customs Service, the Internal Revenue Service, and the EPA have formed a multiagency enforcement effort based in Miami, named "Operation Cool Breeze." Thus far, the effort has resulted in the prosecution of more than a dozen people who have violated customs laws, the Clean Air Act, and tax laws. In Texas, the U.S. Customs Service has begun "Operation Frio Tejas" to stop the smuggling of freon into Texas from Mexico. So far, this effort has resulted in the arrest and indictment of three individuals and the seizure of several thousand pounds of freon. When convicted of smuggling freon, criminals face large fines and heavy tax penalties. "In some cases, we're talking about millions and even tens of millions of dollars in tax liability," Topper said.

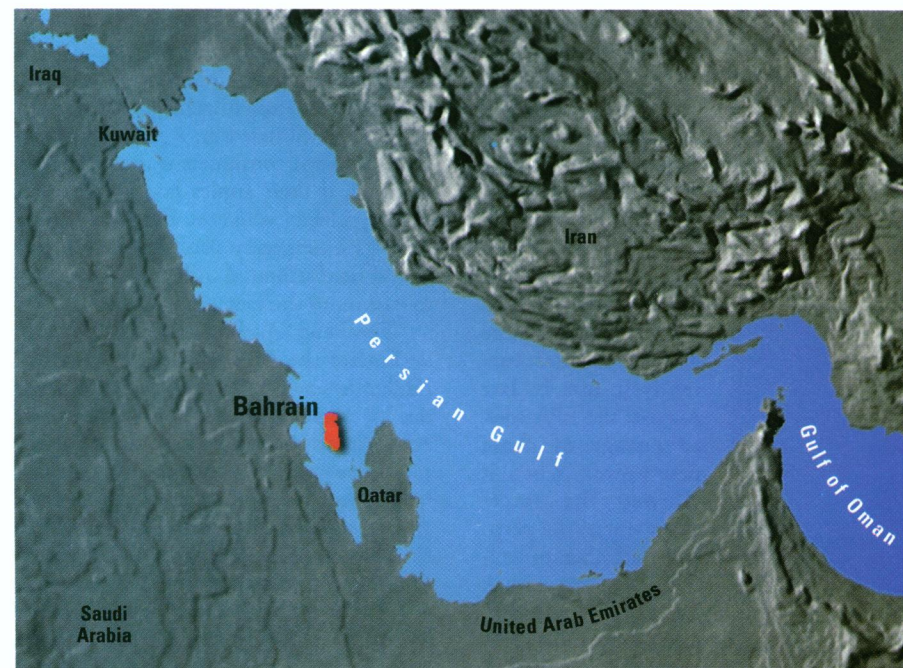
In addition to concerns about environmental protection, Topper added that the illegal importation of freon poses other concerns. "Anything purchased on the black market can be of questionable purity and may be harmful to air conditioners," he said. "The public really needs to know that installing illegal freon could possibly damage their air-conditioning systems and might even cause injuries.

"For the sake of safety and health, people should be careful that the freon [they use] has been recycled or otherwise legally obtained in this country," Topper continued. He said this can be ensured by dealing with reputable automotive repair facilities.

Going Green in the Gulf

Years of oil production and the recent war have generated widespread pollution in the Persian Gulf region. In an action unprecedented for countries in this area, Bahrain, a small country located on a group of 33 islands in the gulf, has recently passed comprehensive legislation to protect its environment.

"The new law has given us a legal instrument to facilitate the promotion of our environment, and to back up the enforcement of the polluter-to-pay principle and/or other fines, as well as to take the appropriate necessary measures in order to comply with the law," said Hasan Juma, a chemist with Bahrain's Environmental Protection Committee. According to *Environmental Profiles: A Global Guide to Projects and People*, Bahrain's major environmental problems have been caused by oil spills and industrial discharges, particularly by the metal treatment industry. This pollution has caused the degradation of coastlines, coral reefs, and sea vegetation, and is threatening marine life in the Persian Gulf.



Beginning in Bahrain. This island nation has recently passed new environmental regulations unprecedented in the Persian Gulf region.